

**MALAYSIA - AUSTRALIA BILATERAL RELATIONS  
(1981-2003) : AN ANALYSIS FROM THE  
ENGLISH SCHOOL PERSPECTIVE**



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UNIVERSITI MALAYSIA SABAH  
2018**

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**FACULTY OF HUMANITIES, ARTS AND HERITAGE  
UNIVERSITI MALAYSIA SABAH  
2018**

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I hereby declare that the material in this thesis is my own except for quotations, excerpts, equations, summaries and references, which have been duly acknowledged.

15 SEPTEMBER 2017

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Rizal Zamani Bin Idris  
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## ABSTRACT

This thesis examines the bilateral relations between Malaysia and Australia in the era of Dr. Mahathir (1981-2003). The political ties between the two countries experienced several upheavals due to certain issues. Interestingly, despite those controversies, the overall relationship between them remained in-tact. This thesis explores two important aspects of the topic under study; the factors that had contributed to the souring of Malaysia-Australia political relations as well as the elements that had tied their overall relationship. This thesis adopts the English School (ES) perspective as its theoretical framework. The ES perspective argues that the absence of world government does not necessitate the absence of order. Order is attainable through the commonalities (common interests, common rules and common institutions) shared by the international society. As such, the commonalities held by Malaysia and Australia had been contextualized by the researcher in the study of bilateral relationship between the two states. The findings of the thesis reveal that several factors were identified to have soured the bilateral political ties between the two states; the insensitivity on the part of the Australian leaders, the role of the media, the element of 'East versus West' as well as the role played by the 'poisoning alumnus'. The thesis also finds that the commonalities as argued by the ES perspective had become the forces that had shaped and kept their overall relationship in-tact. The thesis concludes that despite the political upheavals faced by both countries, the common interests, rules and institutions had become the 'bonding glue' that had endured their bilateral relations. As such, this thesis submits two major contributions. Theoretically, it expands the arguments of the ES theorists in the context of bilateral relationship, since not many studies under the ES paradigm, specifically on bilateral relationship were conducted. Empirically, based on the case study conducted on Malaysia-Australia relations, international society of the ES perspective became the 'bonding glue' that had kept their overall relationship 'in-tact' from which the role of leadership had almost been overwhelmed.



## **ABSTRAK**

### **HUBUNGAN BILATERAL MALAYSIA-AUSTRALIA (1981-2003) : SATU ANALISIS DARIPADA PERSPEKTIF ENGLISH SCHOOL**

*Tesis ini mengkaji hubungan dua hala Malaysia dan Australia semasa pemerintahan Dr. Mahathir (1983-2003). Hubungan politik diantara kedua-dua negara mengalami beberapa siri ketegangan disebabkan oleh beberapa isu. Namun seperkara yang menarik mengenai hubungan Malaysia dan Australia era pentadbiran Dr. Mahathir adalah sungguhpun beberapa ketegangan berlaku, namun ianya tidak memudaratkan hubungan dua hala secara keseluruhan. Tesis ini mengkaji dua aspek penting; faktor-faktor yang membawa kepada ketegangan politik Malaysia-Australia serta elemen-elemen pengukuh yang mengikat hubungan dua-hala secara keseluruhan. Kajian ini juga menggunakan teori English School (ES) sebagai kerangka teoretikal. Perspektif ES menghujahkan bahawa ketiadaan sebuah kerajaan dunia tidak semestinya melenyapkan kewujudan orde antarabangsa. Orde boleh wujud melalui kesamaan (commonalities) yang dikongsi oleh ahli international society seperti kesamaan kepentingan, peraturan dan institusi. Oleh yang demikian, kesamaan yang dikongsi oleh Malaysia dan Australia telah digunakan oleh pengkaji dalam meneliti hubungan dua-hala Malaysia-Australia. Dapatan kajian ini menunjukkan terdapat beberapa faktor yang dikenal pasti menyumbang kepada ketegangan politik diantara kedua-dua negara seperti sikap tidak sensitif dikalangan pemimpin-pemimpin Australia, peranan media, elemen East versus West serta peranan yang dimainkan oleh alumni yang meracuni sikap kerajaan Australia terhadap Malaysia. Kajian ini juga mendapati bahawa kesamaan yang dikongsi oleh kedua-dua negara ini seperti yang dihujahkan oleh perspektif ES telah menjadi elemen pengukuh yang mengikat hubungan Malaysia-Australia. Tesis ini menyimpulkan bahawa disebalik ketegangan politik yang berlaku diantara kedua-dua negara semasa era pemerintahan Dr. Mahathir, kesamaan kepentingan (common interests), kesamaan peraturan (common rules) dan kesamaan institusi (common institutions) telah menjadi tali pengikat yang mengukuhkan hubungan mereka. Dengan itu, tesis ini menyumbang kepada dua perkara. Secara teoretikal, kajian ini meluaskan hujah-hujah yang dikemukakan oleh ahli-ahli teori ES dalam konteks kajian hubungan dua hala (bilateral) kerana tidak banyak kajian bilateral daripada perspektif ES dilakukan. Secara empirikal, international society daripada perspektif ES telah menjadi tali pengikat yang mengukuhkan hubungan kedua-dua negara secara keseluruhan yang sekaligus menunjukkan bahawa peranan pemimpin dilihat kurang signifikan.*

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## LIST OF ABBREVIATIONS

<b>ARF</b>	-	ASEAN Regional Forum
<b>ABC</b>	-	Australian Broadcasting Corporation
<b>ADEXs</b>	-	Air Defence Exercises
<b>ADF</b>	-	Australian Defence Force
<b>AFP</b>	-	Australian Federal Police
<b>AMBC</b>	-	Australia-Malaysia Business Council
<b>AMDA</b>	-	Anglo-Malayan Defence Arrangement
<b>AMS</b>	-	Australia-Malaysia Society
<b>ANU</b>	-	Australian National University
<b>ANZAM</b>	-	Anglo- New Zealand- Australia-Malayan Defence Area
<b>ANZUS</b>	-	Australia-New Zealand-United States Treaty
<b>APEC</b>	-	Asia Pacific Economic Cooperation
<b>ASEAN</b>	-	Association of Southeast Asian Nations
<b>AVA</b>	-	Australian Volunteer Service Abroad
<b>AVI</b>	-	Australian Volunteers International
<b>AVSOS</b>	-	Australian Voluntary Serving Overseas Scheme
<b>BMA</b>	-	British Military Administration
<b>CHOGM</b>	-	Commonwealth Head Governments Meeting
<b>CNTBT</b>	-	Comprehensive Nuclear Test Ban Treaty
<b>CSCA</b>	-	Council for Security and Cooperation in Asia
<b>CSCE</b>	-	Council for Security and Cooperation in Europe
<b>EAEC</b>	-	East Asia Economic Caucus
<b>EAEG</b>	-	East Asia Economic Group

<b>EU</b>	-	European Union
<b>FAM</b>	-	Football Association of Malaysia
<b>FDIs</b>	-	Foreign Direct Investments
<b>FPDA</b>	-	Five Power Defence Arrangements
<b>GATT</b>	-	General Agreement on Tariffs and Trade
<b>GDP</b>	-	Gross Domestic Product
<b>HMAS</b>	-	Her Majesty's Australian Ship
<b>IADS</b>	-	Integrated Air Defence System
<b>ICC</b>	-	International Criminal Court
<b>ICJ</b>	-	International Court of Justice
<b>ICRC</b>	-	International Committee of the Red Cross
<b>ICRW</b>	-	International Convention on the Regulation of Whaling
<b>IGOs</b>	-	International Governmental Organizations
<b>IHL</b>	-	International Humanitarian Law
<b>IMF</b>	-	International Monetary Fund
<b>ISA</b>	-	Internal Security Act
<b>JARPA II</b>	-	Japanese Whale Research Program
<b>MABC</b>	-	Malaysia-Australia Business Council (MABC)
<b>MAF</b>	-	Malaysia-Australia Foundation (MAF)
<b>MAF</b>	-	Malaysian Armed Forces
<b>MAFTA</b>	-	Malaysia Australia Free Trade Area
<b>MAJDP</b>	-	Malaysia-Australia Joint Defence Programme
<b>MARA</b>	-	Majlis Amanah Raya
<b>MCP</b>	-	Malayan Communist Party
<b>MNCs</b>	-	Multinational Corporations

<b>NAFTA</b>	-	North America Free Trade Agreement
<b>NATO</b>	-	North Atlantic Treaty Organization
<b>NBCC</b>	-	North Borneo Chartered Company
<b>NEP</b>	-	New Economic Policy
<b>OECD</b>	-	Organization for the Economic Cooperation and development
<b>PoWs</b>	-	Prisoners of War
<b>RAAF</b>	-	Royal Australian Air Force
<b>RAN</b>	-	Royal Australian Navy
<b>RMAF</b>	-	Royal Malaysian Air Force
<b>TRIPs</b>	-	Trade Related Aspect of Intellectual Property Rights
<b>TRIMs</b>	-	Trade-Related Investment Measures
<b>TAC</b>	-	Treaty of Ammity and Cooperation
<b>UMNO</b>	-	United Malay National Organization
<b>UN</b>	-	United Nations
<b>UNFCC</b>	-	United Nations Framework Convention on Climate Change
<b>UNHCR</b>	-	United Nations High Commissioner for Refugees
<b>UNCLOS</b>	-	United Nations Conventions on the Law of the Sea
<b>UNOC</b>	-	United Nations Operation in Congo
<b>WTO</b>	-	World Trade Organization

# CHAPTER 1

## INTRODUCTION

### 1.1 Background to the Study

Malaysia and Australia have had a long-standing relationship. Malaysia's formal relationship with Australia began in 1955, when a Commission (which later became Australia's High Commission to Malaysia after Malaysia gained its independence in 1957) was set up in Kuala Lumpur (Department of Foreign Affairs and Trade, 2013)<sup>1</sup>. Both countries have been part of each other's history for many years in many ways, even way back before Malaysia gained its independence in 1957. Australia for instance had played tremendous role in its firm support for Malaysia's security. It is to be noted that security consideration was the main factor that had shaped the early Malaysia-Australia relationship.

Australian forces had fought on several occasions together with the Malaysian forces in the defence of the latter's freedom and independence. During World War II for example, Australian troops were closely involved in defending Malaya (1941-1942) and the Borneo states of Sabah and Sarawak (1945). They had also provided a temporary interim military government in Sabah and Sarawak right away after the Japanese forces had surrendered to the Allied Forces during World War II (Williams B, 1992 : pp.2&8).

Australia's commitment in the security of Malaysia continued during the Communist Insurgency (1948-1960), which is also known as the *Malayan*

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In 1957, the Federation of Malaya gained independence and Malaysia was only formed in 1963 with the inclusion of North Borneo, Sarawak and Singapore. For the purpose of this thesis, Malaysia will be used throughout. See Syed Arabi Idid.2008. *Malaysia at 50 : Achievements and Aspirations*, Kuala Lumpur : Thomson Learning & IIUM Press. See also Boon Kheng Cheah.2002. *Malaysia : The Making of a Nation*, Singapore : Institute of Southeast Asian Studies

*Emergency.* Australia made a major contribution in dispatching troops, arms and food to Malaysia. Malaysia then was seen as the most strategic shield in the region to prevent the expansion of the communist ideology in the region. The expansion of communism in the 1950s had alarmed Western democracies to be cautious of the threat posed by communist China that would move southward and would bring a domino effect to the fall of South East Asian countries to embrace their ideology. Fearing that communism would eventually reach Australia, Robert Gordon Menzies Australia's Prime Minister from 1949 to 1966, saw the importance of Australia's engagement and cooperation with its neighbours, especially in defending the country from external threats (Fraser M, 2001 : p. 227; Woolcott R, 2003 : pp. 54-57).

One important key to mention is that Australia's close involvement in the establishment of the Federation of Malaya in 1957 is sometimes forgotten. As a matter of fact, Australia was the country that had supported and sponsored Malaysia's application to become a member of the United Nations in 1957. Soon after independence, Australia was among the first fifteen countries that had established official diplomatic relations with the Federation of Malaya and extended its recognition on the newly born country (Woolcott R, 2003 : pp. 54-57).<sup>2</sup>

Australia's strong commitment to protect the sovereignty and the independence of Malaysia was again manifested during the *Konfrontasi* era (1963-1966), the period when the Indonesian government opposed to the idea of the integration of the Malaysian Federation which include Peninsular Malaysia with Singapore and the Borneo island states of Sabah and Sarawak. With the request made by the Malaysian government, Australia dispatched its troops in 1965, joining the British, Malaysian and other Commonwealth countries to protect Malaysia from the threats posed by Indonesia (Cochrane P,2001 : p.203). In other words, it can be said that Malaysia was indeed Australia's closest friend in the region (Zainah

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<sup>2</sup> Australia played an instrumental role in the Federation of Malaya's independence. Many Australians were involved in the early years of the nation's independence. For instance, Sir William Mc Kell, the former Australian Governor General, was involved in the drafting of the Malayan Constitution (The Reid Commission). Meanwhile, the first governor of the Central Bank of Malaya was also an Australian, Tan Sri William Wilcock. See Woolcott R. 2003. *The Hot Seat, Australia* : Harperr Collins Publishers and Department of Foreign Affairs and Trade. 2015. *60 Years Australia in Malaysia 1955-2015*, Kuala Lumpur: Australian High Commission in Malaysia.

Marshallsay, 1996 : p. 90). In 1971, security cooperation between Malaysia and Australia continued both countries together with Britain, New Zealand and Singapore formed a pact of military cooperation, called the Five Power Defence Arrangements (FPDA) (Cotton and Ravenhill, 1997 :p.5). Since then, military cooperation between the two countries continued to thrive under the aegis of the FPDA.

Besides defence cooperation, it is also important to reckon the role of the Australian Federal Police (AFP) in Malaysia. The AFP had contributed greatly to the security and preservation of order in the country through its close cooperation with the Royal Malaysian Police. Its presence and cooperation in Malaysia had endured more than forty years and indeed the longest in the world (Smith, 2014). Opened as a liaison post in Kuala Lumpur in 1973, the AFP's responsibility was meant to provide assistance in drugs investigations in Malaysia and the region. Its role was later expanded to cooperation and collaboration in crime-related issues such as money laundering, human trafficking and terrorism. Such collaboration had enabled the Royal Malaysian Police and the AFP to share intelligence information and forge a closer relationship between the AFP and the Malaysian law enforcement agencies that had paved the way for the AFP network in the Asia Pacific region (AFP,2003).

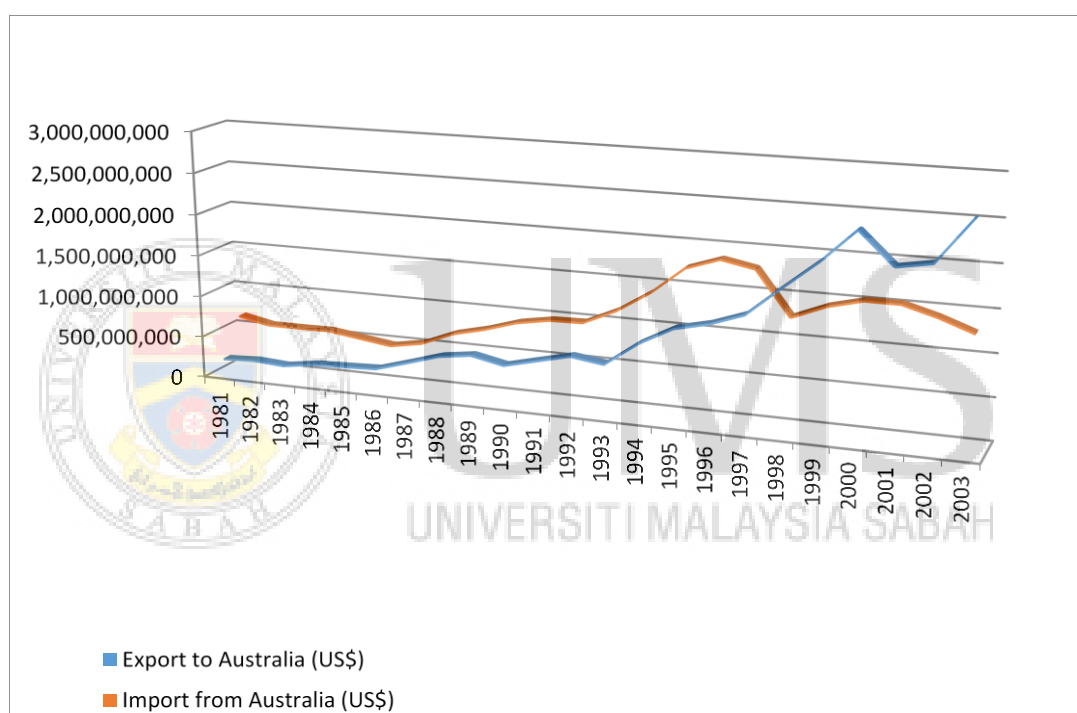
Besides defence and security cooperation, both countries were also engaged in many other spheres of cooperation. One of the important aspects of the relationship is the educational links between them. It is necessary to mention that educational linkages share a long history of cooperation (Williams B, 1992 :13). One of the success stories had been the Colombo Plan<sup>3</sup>, from which many Malaysians secured scholarships to study in Australian institutions of higher learning. Indeed, the Colombo Plan was a clear manifestation of Australia's strong

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<sup>3</sup> The Colombo Plan was a Plan for Cooperative Economic Development of South and South-East Asia. In Australia, the Colombo Plan is best remembered as an educational scheme that provided scholarships to students from Malaysia and other Asian countries to study or train in selected universities and institutions in Australia. For further information on the Colombo Plan, see Blackton C S. 1951. *The Colombo Plan*, Far Eastern Survey, Vol. 20 (3), File. No: E.907/16/3. Secretariat's File. Colombo Plan Bureau. 1960. *A Decade of Mutual Cooperation*, Colombo Plan Tenth Anniversary. Sabah State Archive and Lowe D and Oakman D ed. 2004. *Australia and the Colombo Plan 1949-1957*. Australian Department of Foreign Affairs and Trade: WHH Publishing.

educational commitment and support to Malaysia and the region in general. As a result, many Australian-educated Malaysians were heavily represented in politics, economics, academia and other fields in Malaysia. In short, it can be said that for many years, Malaysia and Australia had enjoyed close and warm relationship.

On the economic side of the relationship, both countries were indeed important economic partners. Both countries have benefited greatly in the comparative advantages offered by one another. The strong trade relations between the two countries is well manifested in the chart below :



**Figure 1.1 : Malaysia-Australia Trade Relations (1981-2003)**

Source : COMTRADE (2015)

The total bilateral trade between Malaysia and Australia was less than USD120 million in 1970, was almost USD800 million in 1980, exceeded USD1.3 billion in 1990 and USD3.9 over billion in 2000. The incremental trend in the trading of goods and services between the two countries over the years is an indicator of strong economic and business ties between them. Both countries have been able to utilize the comparative advantages offered by one another.